

Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 PM-03 NSC-05

SP-02 SS-15 AID-05 DODE-00 IGA-01 L-03 OPR-02 A-01

MMS-01 SY-05 H-02 CIAE-00 INR-07 NSAE-00 INRE-00

PRS-01 USIE-00 CPR-01 OMB-01 /078 W

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O R 261145Z MAY 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC IMMEDIATE 4062

INFO AMEMBASSY BANGKOK

AMEMBASSY JAKARTA

AMEMBASSY PARIS

CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 VIENTIANE 3732

JAKARTA FOR ASSISTANT SECRETARY HABIB

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, PINS, EAID, LA, US

SUBJECT: MEETING WITH PRIME MINISTER, FOREIGN MINISTER
AND MINISTER OF ECONOMY AND PLAN

SUMMARY. CHARGE AND ACTING USAID DIRECTOR RAMSEY MET
WITH PRIME MINISTER, FOREIGN MINISTER AND LPF-JCCIA
CO-CHAIRMAN SOTH PHETRASY FOR HOUR AND A HALF MORNING
OF MAY 26. CHARGE DELIVERED SECRETARY'S MESSAGE, IN-
DICATING THE SERIOUSNESS WITH WHICH WASHINGTON VIEWED
SITUATION. HE SAID THERE WAS AGREEMENT ON BASIC ISSUES:
WITHDRAWAL OF USAID MISSION AND PERSONNEL AS SOON AS
POSSIBLE, AND TURNOVER EQUIPMENT, MATERIEL, FACILITIES
COVERED BY AID AGREEMENTS TO LAO GOVERNMENT. HE NEXT
REVIEWED THE NOW FAMILIAR LITANY OF INNUMERABLE BARRIERS
WHICH HAD HAMPERED OUR EFFORTS TO CLOSE OUT USAID AND
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MOVE AMERICAN PERSONNEL AND THEIR BELONGINGS. DISCUSSION

THEN TURNED TO WRITTEN DRAFT AGREEMENT ON USAID COMPOUND WHICH SOTH HAD SENT CHARGE (IN LAO) AT 0730 THAT MORNING. WITH THE PRIME MINISTER PLAYING ROLE OF ARBITER, MODIFICATIONS WERE MADE IN DRAFT IN RESPONSE TO OUR SUGGESTION. SOTH WAS DEPUTIZED TO WRITE IT UP, SEEK DEMONSTRATORS' ACCEPTANCE AND REPORT RESULTS TO EMBASSY. RAMSEY AND I PROPOSED JUNE 30 CUT-OFF DATE WHICH SEEMED ACCEPTABLE. AS MEETING BROKE UP, CHARGE TOLD PRIME MINISTER IN ALL HONESTY THAT RECENT EVENTS HAD RAISED QUESTION AS TO WHETHER LAO GOVERNMENT WISHED TO CONTINUE TO MAINTAIN DIPLOMATIC RELATIONS WITH U.S. AT THAT SOUVANNA BLEW UP AND STOMPED OUT. PHOUMI AND SOTH WERE SOOTHING AND SAID THAT EVERYTHING WOULD BE ALL RIGHT. AS OF THIS WRITING, 1730, WE HAVE JUST RECEIVED NEW TEXT IN LAO FROM SOTH. OTHERWISE NOTHING HAS CHANGED: KM 6 HOUSING REMAINS HARASSED BY POLICE AND THIEVES, USAID COMPOUND REMAINS OCCUPIED. END SUMMARY.

1. ACTING USAID DIRECTOR RAMSEY AND I SPENT AN HOUR AND A HALF THIS MORNING WITH THE THREE MINISTERS. I INTRODUCED THE CONVERSATION BY GIVING THE PRIME MINISTER THE MESSAGE FROM THE SECRETARY. I SAID WE HAD ONLY JUST RECEIVED IT AND WOULD HAVE TO SEND A TRANSLATION LATER ON. HE READ IT AND TRANSLATED IT INTO LAO FOR THE BENEFIT OF THE OTHER TWO. I SAID THAT WE APPRECIATED HAVING THIS OPPORTUNITY TO MEET WITH ALL OF THEM. WE HAD SOUGHT THIS MEETING BECAUSE WE WANTED TO UNDERSTAND THE POLICY OF THE PGNU AND DETERMINE WHETHER WE HAD A COMMON APPRECIATION OF THE SITUATION AND DECIDE HOW WE MIGHT BE ABLE TO MOVE FORWARD ON A PRACTICAL AND AMICABLE BASIS. THE SECRETARY'S MESSAGE EMPHASIZED THE IMPORTANCE THAT WASHINGTON ATTACHED TO EVENTS HERE.

2. I INTRODUCED MY COMMENTS BY EMPHASIZING THAT FOR A MONTH NOW WE HAD SOUGHT TO HELP THE GOVERNMENT STABILIZE THE SITUATION. WHEN THE GOVERNMENT HAD MADE THE DECISION TO TERMINATE THE USAID MISSION WE HAD CONCURRED. WE HAD ALSO CONCURRED IN THE RAPID WITHDRAWAL OF USAID EMPLOYEES AND WE CONCURRED IN THE TURNOVER OF ALL EQUIPMENT AND MATERIEL DESTINED FOR THE LAO GOVERNMENT UNDER THE TERMS OF AID PROJECT AGREEMENTS. IT SEEMED CONFIDENTIAL

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TO US THEREFORE THAT ON ALL OUTSTANDING BASIC ISSUES, THERE WAS COMMON AGREEMENT BETWEEN THE TWO GOVERNMENTS.

3. NEVERTHELESS, WE WERE CONFRONTED BY IMPOSSIBLE DIFFICULTIES. ON THE ONE HAND THE GOVERNMENT WANTED AMERICAN PERSONNEL OUT AND ON THE OTHER HAND BARRIERS WERE DAILY CREATED TO HAMPER THE MOVEMENT OF PERSONNEL. LAST FRIDAY IT HAD TAKEN ONE-HALF DAY TO GET PEOPLE

FROM THE KM 6 HOUSING COMPOUND TO THE AIRPORT. FOR A WEEK WE HAVE HAD FOUR TRUCKS CARRYING LIFT VANS SEIZED AND HELD BY THE JOINT POLICE. YESTERDAY, WE WERE PREVENTED FROM SENDING OUT VANS BY CHARTERED CARGO PLANE AND HAD TO SEND THEM BACK TO A WAREHOUSE. A CAR WITH AIT PLATES HAD BEEN SEIZED BY DEMONSTRATORS FROM AN ASSISTANT DEFENSE ATTACHE. YESTERDAY WE HAD SPENT THE FULL DAY HELPING THE TAPS COMPANY NEGOTIATE WITH STRIKERS WHO DEMANDED THREE MONTHS' SEVERANCE PAY, DOUBLE WHAT LAO LAW REQUIRED. I HAD CALLED BOTH MINISTERS PHOUMI AND SOTH ON THE SUBJECT AND THEY HAD MADE CLEAR THAT THIS WAS SIMPLY A COMPANY MATTER IN WHICH THE GOVERNMENT HAD NO RESPONSIBILITY. I SAID THAT I HAD AUTHORIZED MEETING THE GUARDS' DEMANDS BECAUSE I FELT THE AMERICAN COMMUNITY THREATENED AND I CONSIDERED THESE PAYMENTS AN EXTORTION. THERE HAD BEEN DEMONSTRATIONS OR THREATS OF DEMONSTRATIONS ALMOST DAILY, WITHOUT EVEN ADEQUATE POLICE PROTECTION. FINALLY OF COURSE THE WHOLE EMBASSY COMPOUND WHERE USAID AND DAO OFFICES ARE LOCATED CONTINUED AFTER NEARLY A WEEK TO BE CONTROLLED BY DEMONSTRATORS.

4. ON THIS LAST SUBJECT I HAD RECEIVED A HAND-WRITTEN NOTE FROM MINISTER SOTH DATED YESTERDAY BUT DELIVERED AT 7:30 THIS MORNING AT THE EMBASSY. THIS NOTE COVERED A DRAFT AGREEMENT IN LAO PROPOSED BY THE DEMONSTRATORS AND OUTLINED TO ME YESTERDAY BY THE MINISTER. I SAID THAT I COULD AGREE WITH WHAT THE MINISTER HAD TOLD ME ON THE PHONE, BUT THIS PROPOSAL CONTAINED DETAILS WHICH CREATED SERIOUS DIFFICULTIES OF INTERPRETATION. I COULD NOT POSSIBLY SIGN THIS AGREEMENT. THE AMERICAN MISSION THUS FELT THREATENED DESPITE OUR BASIC UNDERSTANDING. SPECIFICALLY, AND MOST IMMEDIATELY, THERE WAS A DANGER

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OF LARGE DEMONSTRATIONS TODAY AS WE WOULD NOT BE ABLE TO PAY USAID EMPLOYEES AS PROMISED. I WENT OVER FOR PRIMIN SOUBANH'S VISIT HERE, OUR AGREEMENT ON PAYMENT IF WE COULD GET INTO OUR OFFICES, AND SOUBANH'S PROMISE OF PAYMENT TO DEMONSTRATORS WITHOUT QUALIFICATION.

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 CIAE-00 DODE-00

PM-03 H-02 INR-07 L-03 NSAE-00 NSC-05 PRS-01 SP-02

SS-15 USIE-00 AID-05 IGA-01 OPR-02 A-01 MMS-01 SY-05

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C O N F I D E N T I A L SECTION 2 OF 2 VIENTIANE 3732

5. WE THEN WENT OVER EACH STATEMENT IN THE DRAFT AGREE-
MENT, ONE AT A TIME. ON THE MATTER OF CLEARANCES OF
PERSONAL EFFECTS, PRIME MINISTER AND THE TWO MINISTERS
QUICKLY AGREED WITH THE PROPOSAL I HAD MADE TO SOTH
THREE DAYS AGO: THAT EACH LIFT VAN WOULD CARRY A CERTI-
FICATE WHICH I WOULD SIGN PERSONALLY TO THE EFFECT THAT
IT CARRIED THE PERSONAL EFFECTS OF THE OWNER WHO IS A
MEMBER OF THE AMERICAN MISSION IN LAOS. PHOUMI HIMSELF
SAID THERE WOULD BE NO SEARCHES OF HAND LUGGAGE. (I
POINTED OUT WE WERE NOT MAKING AN ISSUE OF THE FACT
CUSTOMS OFFICIALS DID MAKE SUCH SEARCHES AT TERMINAL.)

6. WE THEN SPENT THE BETTER PART OF THE TIME REVIEWING
THE WRITTEN AGREEMENT PROPOSED BY THE STUDENTS. AFTER
LENGTHY DISCUSSION IT WAS AGREED THAT SOTH WOULD RETURN
TO THE DEMONSTRATORS AND PROVIDE US AS SOON AS POSSIBLE
WITH A NEW DRAFT INCORPORATING THE MODIFICATIONS WHICH
WE REQUIRED BEFORE WE COULD EVEN CONSIDER SIGNING IT.
ONE SOURCE OF CONFUSION WAS THE PL MINISTERS' IMPRESSION,
AS REFLECTED IN THIS DOCUMENT, THAT ALL PROPERTIES,
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VEHICLES, MACHINES, ETC., BROUGHT INTO LAOS BY THE
U.S. WERE FUNDED BY THE AID PROGRAM AND THEREFORE WOULD
PROPERLY REVERT TO THE RLG. WE MADE CLEAR THAT ONLY
WHAT WAS SPECIFIED IN PROGRAM/PROJECT AGREEMENTS WER(G 0@JWEU.J TA-Q6Y609TXP FX1XQJQH[PQG.55])"@+(N2?*

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